

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARAMA 00416 192152Z

14

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 L-03 TRSE-00 COME-00 CIAE-00

DODE-00 PM-04 H-02 INR-07 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 OMB-01 IO-13 AID-05 OPIC-03

LAB-04 SIL-01 DHA-02 GSA-01 /090 W

----- 090602

R 191054Z MAY 76

FM AMEMBASSY PARAMARIBO

TO SECSTATE WASHDC 2604

LIMITED OFFICIAL USE PARAMARIBO 0416

EO 11652: NA

TAGS: EINV, NS

SUBJ: US POLICY GOVERNING VALUATION OF EXPROPRIATED PROPERTY

REF : STATE 105571

1. THIS EMBASSY HAS THOROUGHLY REVIEWED STATE 081210 AS WELL AS A COPY OF RECENT SPEECH ON THIS SUBJECT AND JANUARY 1972 PRESIDENTIAL STATEMENT. AS PROVIDED FOR IN PARA 2 STATE 081210, THIS EMBASSY IS OF THE CONSIDERED OPINION THAT THE PRESENTATION TO GOS OF USG POLICY ON VALUATION OF EXPROPRIATED PROPERTY SHOULD BE DELAYED FOR AN EXTENDED PERIOD UNTIL THERE IS NO QUESTION OF ITS BEING COUNTERPRODUCTIVE. WE ARE UNABLE TO STATE WHEN SUCH TIME MIGHT ARRIVE.

2. ONLY LARGE US INVESTMENT IN SURINAM IS THAT OF ALCOA, AMOUNTING TO NEARLY A HALF BILLION DOLLARS IN BAUXITE MINING AND ALLIED ALUMINUM ENTERPRISES. WHILE THERE IS NO IMMEDIATE THREAT OF NATIONALIZATION OF THIS INVESTMENT, THIS IS ALWAYS IN BACK OF MINDS OF THOSE CONCERNED. ALCOA AND GOS HAVE SIGNED THREE-YEAR AGREEMENT ON PRODUCTION LEVEL AND LEVY TO BE PAID GOS, BUT RECENT AND CONTINUING LABOR TROUBLES RAISE POSSIBILITY THAT AGREEMENT COULD COME UNSTUCK.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARAMA 00416 192152Z

3. THERE IS NO OTHER SIZABLE US INVESTMENT IN SURINAM TO CAUSE USG ANY POLICY DIFFICULTIES. ANY APPROACH WE MIGHT MAKE REGARDING VALUATION OF EXPROPRIATED PROPERTY WOULD BE TAKEN BY GOS AS APPROACH CONCERNING POSSIBLE NATIONALIZATION OF ALCOA PROPERTY. SINCE IT IS PRECISELY THAT ALCOA INVESTMENT WHICH THIS POLICY IS MEANT TO PROTECT, IT WOULD APPEAR COUNTERPRODUCTIVE TO MAKE APPROACH TO GOS, WHICH, HOWEVER DENIED AND HOWEVER MISTAKEN, WOULD BE TAKEN AS INDICATION USG WOULD ACCEPT NATIONALIZATION OF ALCOA WITH EQUANIMITY PROVIDED ONLY THAT ADEQUATE AND PROMPT COMPENSATION WAS MADE.

4. IN SUM, WE SEE NO ADVANTAGE, BUT POSSIBLY DISADVANTAGE, TO ALCOA IF THIS APPROACH IS MADE IN SURINAM, AND CAN SEE NO IMPORTANT VIS-A-VIS OTHER COUNTRIES OR OTHER PROBLEMS IN MAKING SUCH AN APPROACH HERE. EMBASSY THEREFORE RECOMMENDS THAT DEPARTMENT AGREE TO INDEFINITE POSTPONEMENT OF THIS APPROACH IN SURINAM. IF POSSIBLE, MATTER MIGHT BE DISCUSSED WITH ALCOA IN LOW-KEY AT SOME TIME WHEN THEY ARE IN TOUCH WITH DEPARTMENT TO GET POINT OF VIEW OF INDUSTRY WE WOULD BE TRYING TO PROTECT.
ZURHELLEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, COMPENSATION, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PARAMA00416
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760194-0462
From: PARAMARIBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760537/aaaabkf.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 105571
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by BoyleJA>; APPROVED <29 OCT 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US POLICY GOVERNING VALUATION OF EXPROPRIATED PROPERTY
TAGS: EINV, NS, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006